

ALUMNI JOURNAL

1970-1971

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# OHIO UNIVERSITY Alumni Journal

SPECIAL ISSUE, MAY 1971

## Sowle Testifies on Education Budget Before Ohio Legislators

**EDITOR'S NOTE:** In the two months since Ohio Governor John J. Gilligan proposed his budget for higher education and announced the Ohio Plan, under which students enrolled at state universities would repay their state subsidy, there has been a great deal of discussion on the Ohio University campus—as there has been around the state—concerning these issues.

President Claude R. Sowle issued a statement to members of the University community on March 29 in which he rejected the Ohio Plan as "unsound," "unworkable" and "discriminatory," and on April 8 he testified before a legislative committee studying the governor's proposed budget for higher education. Various campus groups, including the University Council, have also announced their positions on these issues.

To acquaint Ohio University alumni and parents with the general feeling on campus concerning the proposed budget for higher education and the Ohio Plan, the Alumni Association is sending you this special issue of *The Journal*.

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### Sowle Questions Ohio Plan

*Statement of President Sowle on March 29, 1971, regarding Governor Gilligan's "Ohio Plan"*

Two weeks ago today, Governor Gilligan formally presented his "Ohio Plan" to the citizens of the state.

In the words of the governor: "Under the Ohio Plan, students entering a publicly-supported four-year college will sign an agreement to repay their state subsidy. At the present, that subsidy is about \$3,000 for four years. These payments would begin when (the students) leave school."

In the days since the governor's announcement of the "Ohio Plan," a number of penetrating questions have been asked:

\* Is the program practical from an administrative standpoint, i.e., will not the record-keeping and collection costs exceed the income generated by the plan?

\* If college students are to be required to make restitution for the benefits previously conferred upon them by the state, why not impose the same obligation on grade school and high school students, welfare recipients, inmates of penal institutions and mental health patients?

\* Is this not, in effect, a special income tax on college graduates which they must pay in addition to all of the other federal, state and local taxes imposed upon them?

\* Why should the program apply only to students in four-year, professional and graduate institutions? Why shouldn't it apply, as well, to students in two-year institutions?

\* Will the requirements of the plan place an intolerable burden upon those who not only must repay the state subsidy but also must repay, at the same time, special loans they obtained while in school in order to meet tuition, room and board and incidental expenses?

\* Does the plan not discriminate in favor of the affluent by permitting them, while in school, to avoid future repayment obligations by reimbursing the state for current subsidy support at the rate of 50 cents on the dollar?

These are good questions, but there is a much more fundamental question that must be asked: What does the "Ohio Plan" say in terms of the governor's attitude regarding the basic purposes of public higher education? My answer is that the governor apparently believes that the advantages of higher education accrue principally to the individual rather than to society. As a result, the governor believes that the individual should be required to repay the state for the personal advantages he thus has received.

This view, I submit, is totally wrong. In the words of the president of the State University of New York at Albany:

"The error in [his] thinking is that college education is a commodity. Extending the error is the belief that college education is a commodity which a person by various means purchases for his own benefit, like a suit of clothes, or a book on how to win friends and influence people, or a set of weights to increase his biceps and chest capacity."

"Higher education is not a commodity. The individual benefits . . . of course. [But] the chief beneficiary of higher education is not the person who gains its credits and degrees. Higher education is a series of experiences capable of successful, creative changes. These changes enable a human being to be of greater value to society. Society in turn depends upon positive human changes happening if it is to survive. The beneficiary is society itself."

I hope that the Ohio Legislature will refuse to approve the governor's "Ohio Plan." It is unsound from a philosophical standpoint. It is unworkable from a practical standpoint. It is discriminatory in that it imposes upon our college students direct repayment

responsibilities not imposed upon recipients of other state services. It is, I fear, little more than a fiscal variation on the disciplinary theme of last year's House Bill 1219.

Claude R. Sowle  
President of Ohio University

### Legislators Given Testimony

*Testimony by President Sowle on April 8, 1971, to members of the Education Section of the Finance-Appropriations Committee of the Ohio House of Representatives*

On March 15, 1971, Governor Gilligan presented to you a proposed budget for higher education for the two-year period beginning July 1, 1971 and ending June 30, 1973.

On March 19, the Board of Regents endorsed the governor's budget, stating that it met "the minimum needs of higher education."

The governor's budget, in my opinion, does not meet the minimum needs of higher education in Ohio, nor does it meet the minimum needs of Ohio University.

Here are my reasons for reaching these conclusions:

(1) The governor recommends that tuition charges for both Ohio residents and out-of-state students be increased. In his budget presentation, Governor Gilligan recommends tuition increases of the following magnitude:

\* For undergraduate students from Ohio who are enrolled on our main campus: An increase of \$90 per year, thus raising tuition from \$310 annually to \$600. This is an increase of 17.6 percent. Upon adding the general fee, which currently is \$150 per year, total costs would be \$750 per year.

\* For non-resident undergraduate students who are enrolled on our main campus: An increase of \$250 per year, thus raising tuition from \$1,560 annually to \$1,810. This is an increase of 15.4 percent. Upon adding the general fee, which currently is \$150 per year, total costs would be \$1,960 per year.

\* For graduate students from Ohio who are enrolled on our main campus: An increase of \$690 per year, thus raising tuition from \$310 annually to \$1,000. This is an increase of 135.3 percent. Upon adding the general fee, which currently is \$150 a year, total costs would be \$1,350 per year.

\* For non-resident graduate students who are enrolled on our main campus: An increase of \$840 per year, thus raising tuition from \$1,560 annually to \$2,400. This is an increase of 53.9 percent. Upon adding

the general fee, which currently is \$150 per year, total costs would be \$2,550 per year.

\* For undergraduate students from Ohio who are enrolled at one of our branch campuses: An increase of \$150 per year, thus raising tuition from \$140 annually to \$600. This is an increase of 33.3 percent. Upon adding the general fee, which currently is \$90 per year at the branch campuses, total costs would be \$690 per year.

\* For non-resident undergraduate students who are enrolled at one of our branch campuses: An increase of \$300 per year, thus raising tuition from \$1,500 annually to \$1,800. This is an increase of 20 percent. Upon adding the general fee, which currently is \$90 per year at the branch campuses, total costs would be \$1,890.

In light of the increasing complexity of our society, we are rapidly approaching the day when some degree of post-high school educational achievement will become a necessity for a substantial majority of our citizens. We must, therefore, seek not only to maximize opportunities for higher education but also to minimize the cost of such post-high school training.

In Ohio, with tuition charges at our public universities presently among the highest in the nation, our goal should be to lower, or at a minimum to stabilize, the economic barriers to higher education imposed by the high level of our instructional fees. And yet the governor now proposes increases ranging from 15 percent to 135 percent!

In its Master Plan for Ohio Higher Education adopted just last month, the Board of Regents recommended that until such time as Ohio's per capita support for higher education, now ranked 46th in the nation, reaches or exceeds the national average, there should be no further increases in student charges. The board proposes that in lieu of a further escalation in tuition, there should be "a major increase in state support."



President Sowle

The governor, unfortunately, has taken the opposite tack and proposed a major increase in student charges and only a modest increase in state support. I hope that the members of the General Assembly will refuse to accept the governor's recommendation on this vital issue and decide to accept, instead, the recommendation of the Board of Regents that we stabilize tuition for at least the next two years.

(2) The governor recommends that all subsidies for out-of-state students be eliminated.

Prior to 1969, Ohio University received a direct subsidy

from the State of Ohio for out-of-state students attending the University. Whether the student was a resident of Ohio or a resident of some other state made no difference.

In 1969, the rules were changed. Although we no longer received a full, direct subsidy for each out-of-state student, we did receive an annual lump sum grant for non-resident students amounting to about one-half of the subsidy we would have received under the program that was in effect prior to 1969. As a result of this change, we were forced to make substantial increases in out-of-state tuition charges.

Governor Gilligan has now concluded that even the half-subsidy arrangement of the past two years is either unworkable or unaffordable; therefore, he has proposed that all subsidies for out-of-state students be eliminated beginning three months from now.

For Ohio University, this would mean a reduction in subsidy of \$350,000 in 1971-72 and a similar loss in 1972-73. For all state universities combined, the total loss would be \$7,250,000 for each of the next two years. The governor suggests that we make up these huge losses by once again increasing out-of-state tuition charges.

Higher education, at its best, is a totally consuming process. It must seek to engage the student during his every waking hour. That time the student spends each day with his education is one of the vital part of the process. But so, too, is the time he spends each day outside the classroom learning to live and work with his fellow students.

If student interaction, both in the classroom and outside, is to be truly meaningful and rewarding, we must have within our universities young people whose backgrounds and life experiences range across the widest possible spectrum. For this reason, many of Ohio's public institutions, including Ohio University, with financial encouragement from the state, have for many years sought to attract to their campuses a reasonable number of students from other states and from foreign countries as well. This investment by the State of Ohio in educational enrichment has, in my opinion, paid large dividends for our students, the vast majority of whom come from the State of Ohio.

The governor's proposal now asks us, in effect, to abandon this long-standing and enlightened view of the educational process and to substitute for it a new and higher academic tariff which will, I fear, make it virtually impossible for all but the most affluent non-residents to attend Ohio's universities.

At a time when we should be seeking to eliminate the last vestiges of educational provincialism, both in Ohio and nationally, we are asked, instead, to embrace a new approach that can only lead to a lessening of the educational and economic mobility of the public higher education in Ohio.

I hope, therefore, that the members of the General Assembly will reverse the governor's recommendation on this fundamental issue and decide to accept, instead, the strong recommendation of the Board of Regents that out-of-state subsidies be continued.

(3) The governor recommends that enrollment at the 12 state-assisted universities be frozen at current levels.

Although the governor's budget has an effect on enrollment, it encourages enrollment growth at the



state's two-year campuses, including our branches, it contemplates no enrollment increases in any of the four-year programs and graduate programs at the 12 state-assisted universities. We have been told, quite bluntly, that if our main campus enrollment next year exceeds current levels, we will receive no state subsidy for the additional students.

For a number of state universities, including our own, this proposal is theoretically sound. Most of our state universities already are much too large.

From a practical standpoint, however, the governor's recommendation, or at least the timing of it, poses grave problems for this University and, I suspect, for a number of others as well.

Let me explain why I am troubled.

Our enrollment on the Athens campus at the beginning of the fall quarter of the current academic year was 18,600. For some months, we have planned for a beginning enrollment next fall of 19,200, which is well within the enrollment ceiling of 20,000 set for us by the legislature 18 months ago.

Confident that our modest growth plans were fully consistent with both legislative mandate and the new Master Plan of the Board of Regents, we last month submitted to the trustees a budget for next year that assumed our expenses for 1971-72 would be met in part by increased subsidy and tuition income attributable to the 600 additional students we planned to enroll next fall. Moreover, our admissions office has been operating for some time on the assumption that we would enlarge our student body by 600 next September.

Now, at a very late hour, the governor proposes that the signals be changed. At an even

later hour, you, the members of the General Assembly, will decide whether to agree or disagree with the governor. In the meantime, we are left to speculate, at our peril, as to the final result.

In order to permit sound planning to continue, I urge the legislature, as promptly as possible, to impose enrollment ceilings that would take effect in the fall of next year, rather than in September of this year. To do otherwise would be a grave disservice to our state universities.

The governor recommends that the current state subsidy for Ohio University be increased by \$1,656,000 in 1971-72 and by an additional \$181,000 in 1972-73.

Five months ago, in November of last year, Ohio University began to develop a budget for the coming fiscal year. In the months that followed, hundreds of administrators, faculty members and students devoted thousands of hours to this difficult, complex and highly important effort. As the process reached its concluding stages, I presided over three days of hearings open to the entire University community, following which I prepared a final budget for presentation to our Board of Trustees. I am satisfied that no university has ever developed a budget that was more thoroughly scrutinized or more completely justified. I am satisfied also that it is an extremely tight budget, so tight in fact that it is, in effect, a "deficit budget"—not in terms of dollars but, unfortunately, in terms of erosion of quality.

On February 22, 1971, our proposed budget for 1971-72 was unanimously approved by the University's Board of Trustees. Under this budget, it will be necessary for the University to generate next year additional income amounting to approximately \$3,300,000. Of this total amount, \$2,000,000 will be needed to cover new expense commitments, and \$1,300,000 will be required to cover an increase in this year's spending level due to our planned use of funds from the previous year reserved for expenditure this year.

The governor has recommended that the state subsidy for Ohio University and its branches be increased by approximately \$1,600,000 next year. With this need, as I have mentioned, for additional funding for next year in the amount of \$3,000,000, the increase proposed by the governor obviously falls far short of our projected requirements. Indeed, the governor's proposed increase amounts to approximately one-half of what will be required to cover currently known needs.

If, as the governor proposes, we were to increase tuition for next year by the various amounts he has recommended, these increases would produce approximately \$3,000,000 in additional revenue. If the \$3,000,000 of new tuition income recommended by the governor and the additional subsidy support of \$1,600,000 are added together, we reach a

grand total of \$4,600,000 in projected new resources. This grand total is approximately \$1,300,000 in excess of the minimum income needs reflected in our budget for next year.

It thus would appear that we should follow the governor's recommendation and increase tuition in the amounts he has suggested, we would be able to meet our budget commitments for next year, and, in addition, we would be able to commit an additional \$1,300,000 to high priority needs not presently covered in next year's budget.



Forget it, Mac. I didn't realize you had a kid in college.

The picture, however, is not yet complete. Consider, for example, the governor's recent proposal that state civil service workers receive a 16 percent pay increase. This proposal, should it be enacted into law, would cost the University, in the first year alone, at least \$1,700,000. Of this amount, \$1,200,000 would be charged against our operating budget, and the remainder would be charged against the budget of our dormitory and dining hall system. The Department of Finance recently confirmed that, under the governor's budget, the proposed pay increase would have to be absorbed totally by the University, unaided by a special appropriation covering all or even part of the huge additional costs involved.

Moreover, other cost increases appear likely in the months ahead in such areas as unemployment compensation, increases in retirement benefits, payment for sick leave accumulation upon retirement and increased life insurance benefits for classified employees.

If one looks ahead to the year after next, 1972-73, the picture is even more dismal. In that year, the governor proposes no subsidy increase for the main campus, although he does recommend increased support in the amount of \$181,000 attributable to anticipated enrollment growth in our branch campuses. In terms of our total projected budget for next year, which exceeds \$40,000,000, this is an increase in support for the second year of the biennium of less than one-half of one percent! To meet inflation alone, we will need at least nine times that amount. The regents, in their Master Plan, recognized that fact. Unfortunately, the governor has not.

I could go on, but perhaps I already have more than made my point: In terms of Ohio University, the governor's budget proposal is totally inadequate, even assuming a tuition increase—which is presently hope can be avoided.

What, then, are our minimum needs?

In 1971-72, the first year of the new biennium, we will need approximately \$5,000,000 in additional subsidy if we are to preserve the austerity budget approved by our trustees last month, provide educational opportunity for 600 additional students, meet the additional personnel-related costs we expect to be mandated by the General Assembly in the months ahead and avoid an increase in our already burdensome tuition charges.

In the second year of the new biennium, 1972-73, by virtue of anticipated inflation, we will need additional subsidy support of approximately \$1,700,000 in order to merely maintain activity and service levels of the preceding year.

\* \* \* \* \*

Last month, in his budget message to the legislature, Governor Gilligan stated, "We can—if we decide to—further reduce educational opportunity in Ohio: we can eliminate it. . . . We can do [this] in the name of economy in government, and some would applaud."

On the basis of his campaign statements of last year, I am prepared to assume that the governor desires to enhance, rather than reduce or eliminate, educational opportunity in Ohio. And yet, upon careful analysis, many of his proposals for higher education suggest that, due perhaps to the incredible time pressures under which he was forced to work, the governor unwittingly has joined the camp of those who would "further reduce educational opportunity in Ohio by eliminating it. . . . in the name of economy in government. . . ."

I urgently request, therefore, that you, the members of this important legislative committee, provide the leadership necessary to right this wrong.

I would like to believe that the forces that are seeking to avoid a diminution in the quality of

public higher education in Ohio, you will, I know, be assuming certain political risks, for higher education today, quite clearly, is not a popular cause.

I am convinced, however, that Ohio public higher education is today far better administered than many of our fellow citizens believe. Let's say so courageously—and at the same time aggressively seek to improve our managerial skills.

I am convinced, also, that Ohio's higher education is today served by faculty members the great majority of whom are far more competent and dedicated than many of our fellow citizens believe. Let's say so courageously—and at the same time seek to rid ourselves of our colleagues who are not devoted to their high calling.

I am convinced, also, that Ohio public higher education is today beset by students the great majority of whom possess far greater potential for service to society than many of our fellow citizens believe. Let's say so courageously—and at the same time recognize our responsibility to ferret out those who attempt maliciously to destroy, for themselves and for others, the opportunities we seek to provide.

In terms of the future development of this great state, there is, I submit, no more important and deserving cause than higher education. No public investment, in my opinion, offers greater promise of large and enduring returns than higher education.

I fear, however, that what the governor has proposed for higher education is, in the final analysis, fiscally mandated mediocrity or even worse.

I refuse to accept, silently and by default, that fate for higher education in this state.

Will you? I hope not.

Respectfully submitted,

Claude R. Sowle

President of Ohio University

## University Backs President Sowle

During the past month, President Sowle has received individual and organized support for his opposition to the Ohio Plan and his position on the proposed budget for higher education.

On April 28, the University's official policy-advisory body, the University Council, passed two resolutions, one supporting the president's testimony regarding Ohio University's minimum needs, and a second opposing the Ohio Plan. "[The] Ohio Plan is discriminatory in that it imposes upon college students . . . direct repayment responsibilities not imposed upon recipients of other state services." In its resolution on the proposed budget the council wrote, "Tuition increases would represent a further retreat from the responsibility of the State of Ohio to adequately support higher education from the general revenue of the state."

Meeting on April 1, the Graduate Student Council, issued a statement which reads in part: "In his proposed budget, Governor Gilligan has outlined tuition increases as a source of revenue for the universities with some increases as high as 135.2 percent. At the present time, the amount of tuition paid at Ohio's public

universities qualifies Ohio for the dubious honor of being in the top ten percent of the states. In view of this fact, it would seem that any tuition increase, let alone one of this magnitude, is outrageous."

Members of the Ohio University Federation of Teachers passed a motion on April 20, agreeing with President Sowle's criticism of the governor's present plans for higher education. "The Ohio Plan, together with already inadequate student funding, would strangle public higher education in Ohio," the OUTF wrote. "We, therefore, support President Sowle's efforts to increase funding for Ohio's universities and to defeat the Ohio Plan."

The Student Governing Board has taken a similar position, stating on April 8: "[We] unanimously support President Sowle and the statements which he has made in [his] appeal to Governor Gilligan and the legislature [asking them] to recess the issue of higher education in Ohio. We urge the removal of the Ohio Plan for Higher Education. Under no terms should students enrolled in state universities be required to take the financial burden [which will occur] if the governor's Ohio Plan is passed."

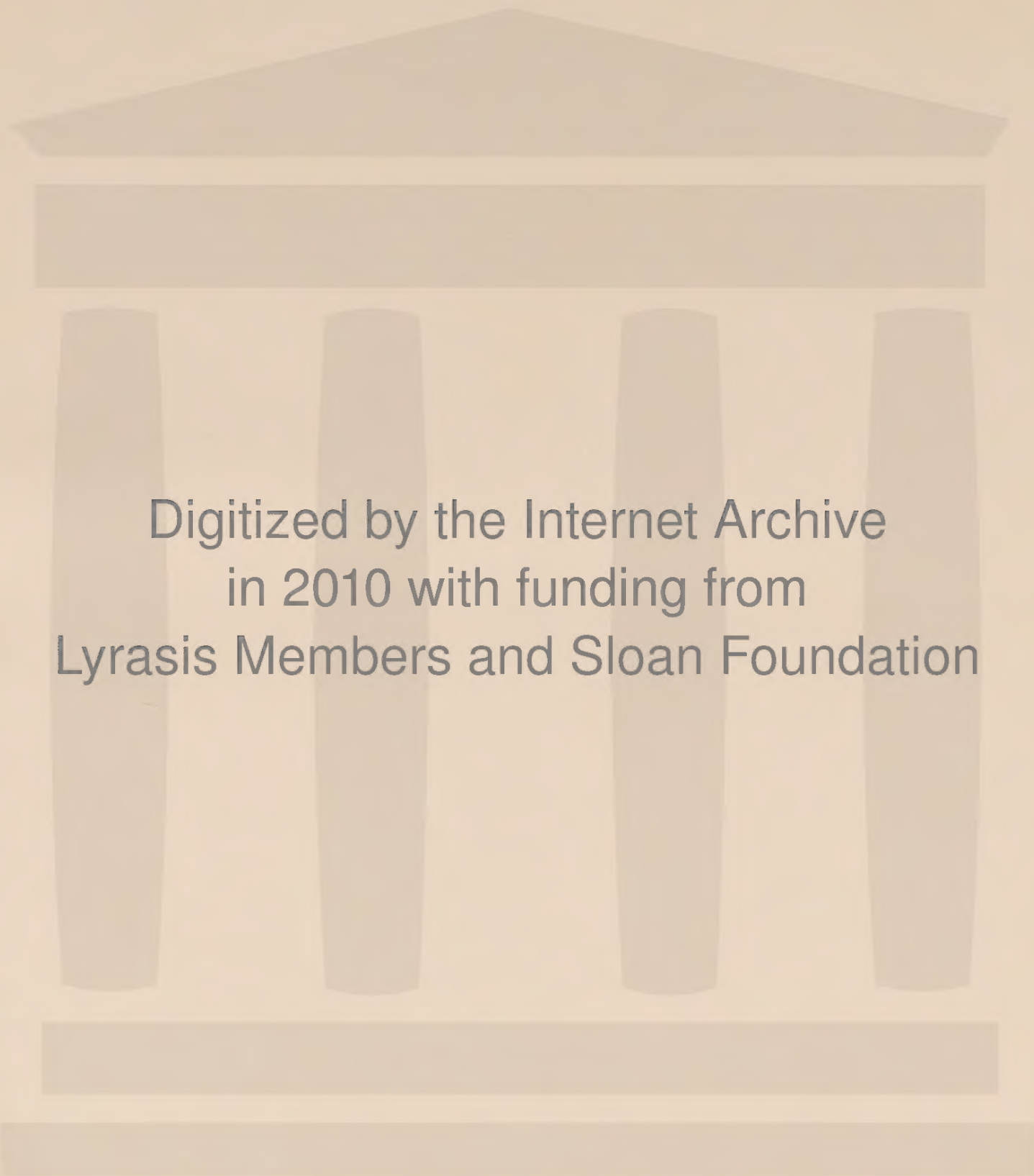
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Permit No. 41  
Athens, Ohio

OHIO UNIVERSITY  
**Alumni Journal**

SPECIAL ISSUE MAY 1971 • VOL. 2, NO. 5

The OHIO UNIVERSITY ALUMNI JOURNAL is produced by the Office of University Publications, Don Stout, '51, Director, Jan Kissner Gady, '65, Alumni Journal Editor, Harry Snavely, '51, Photographer. Published at Athens, Ohio, by the Ohio University Development Office, Jack O. Ellis, '57, Director of Development, and the American Alumni Council and American College Public Relations Association.



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